



DELBERT HOSEMAN
Secretary of State

ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. An Economic Impact Statement must be attached to this Form and address the factors below. A **PDF** document containing this executed Form and the Economic Impact Statement must be filed with any proposed rule, if required by the aforementioned statute.

AGENCY NAME Mississippi Insurance Department	CONTACT PERSON Mark Lampton, Spec. Asst. Att. Gen.		TELEPHONE NUMBER (601)359-3577
ADDRESS P.O. Box 79	CITY Jackson	STATE MS	ZIP 39205
EMAIL mark.lampton@mid.ms.gov	DESCRIPTIVE TITLE OF PROPOSED RULE Miss. Admin. Code, Title 19, Part 7, Chapter 5 (MH-5 - Uniform Standards Code for Factory-Built Homes Law)		
Specific Legal Authority Authorizing the promulgation of Rule: Miss. Code §§ 75-49-5; 75-49-1 et seq.		Reference to Rules repealed, amended or suspended by the Proposed Rule: Miss. Admin. Code, Title 19, Part 7, Chapter 5	

SIGNATURE /s/ Mark Lampton	TITLE Mark Lampton, Spec. Asst. Att. Gen.
DATE 11/4/2014	PROPOSED EFFECTIVE DATE OF RULE 01/01/2015

1. Describe the need for the proposed action: **The Amendments proposed modernize the rules, and address some gaps in the previous set of rules.**
2. Describe the benefits which will likely accrue as the result of the proposed action: **The benefit to the consumer will be enhanced oversight of the factory-built home industry. The benefit to the factory-built home industry will be clarification of the parameters of expectations placed upon them.**
3. Describe the effect the proposed action will have on the public health, safety, and welfare: **The Amendment of the rules will result in enhanced oversight of the manufactured housing industry within the State of Mississippi, ensuring that the citizens of Mississippi residing in factory-built housing will be residing in safe and properly constructed homes.**
4. Estimate the cost to the agency and to any other state or local government entities, of implementing and enforcing the proposed action, including the estimated amount of paperwork, and any anticipated effect on state or local revenues: **The cost to the government in implementing these regulatory changes will be minimal, and will be limited to the manpower necessary to update approximately 10 forms.**

5. Estimate the cost or economic benefit to all persons directly affected by the proposed action:

The benefit to the consumer will be increased protection and ability to receive reimbursement for damages resulting from accidents and willful and negligent conduct relative to the job performance of the businesses at issue in the regulation.

Each licensed Retailer/Developer will be required to increase their Surety Bond Policies from \$10,000.00 to \$25,000.00 per facility. The projected cost to the Retailer/Developer would be an increase in the cost of the policy from \$150.00 to \$300.00.

The new regulation will require the licensed Installer/Transporter to provide proof of a Surety Bond Policy of \$25,000.00 and a General Liability Policy in the amount of \$500,000.00 with coverage to include transportation of manufactured homes. Under the current regulations the Installer/Transporter is only required to provide proof of a Surety Bond Policy or a General Liability Policy.

The projected cost to the Installer/Transporter would be as follows:

The price of a \$10,000 Surety Bond policy averages \$150.00/year. The price of a \$25,000 Surety Bond policy averages \$300.00/year.

The price of a \$500,000 General Liability Policy could average \$1,700/year depending on the payroll for employees and drivers.

The projected cost to the Installer/Transporter would be \$1,850.00/year

6. Provide an analysis of the impact of the proposed rule on small business:
- Identify and estimate the number of small businesses subject to the proposed regulation: 209.
 - Provide the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record: Certain records must be retained for a longer period of time, but there is no change in the level of record keeping skill from that required in the previous version of the regulation.
 - State the probable effect on impacted small businesses: The probable effect on small businesses will be minimal, with the primary effect being described in paragraph 5 of this EIS, above.
 - Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation including the following regulatory flexibility analysis:
 - The establishment of less stringent compliance or reporting requirements for small businesses;
 - The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - The consolidation or simplification of compliance or reporting requirements for small businesses;
 - The establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and
 - The exemption of some or all small businesses from all or any part of the requirements contained in the proposed regulations:

ANSWER to d(i) –(v): There is no significant increase in compliance or reporting requirements, or performance standards from what was contained in

the regulation being amended. Diminishing these requirements, or exempting some small businesses from the requirements, is not possible in light of the necessity that these rules sufficiently implement the HUD regulations regarding Factory-Built Homes.

7. Compare the costs and benefits of the proposed rule to the probable costs and benefits of not adopting the proposed rule or significantly amending an existing rule: **The proposed amendments increase the protection of the consumer significantly, while only imposing a minimal burden on the regulated businesses.**
8. Determine whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rule where reasonable alternative methods exist which are not precluded by law: **There are no less costly methods which would adequately protect the consumer.**
9. Describe reasonable alternative methods, where applicable, for achieving the purpose of the proposed action which were considered by the agency: **There are no feasible alternatives which would adequately accomplish the goal of increasing consumer protection, while staying within the requirements imposed by HUD.**
10. State reasons for rejecting alternative methods that were described in #9 above: **N/A.**
11. Provide a detailed statement of the data and methodology used in making estimates required by this subsection: **The Estimates of cost to small businesses derived from records on file with the Mississippi State Fire Marshal's Office, and through consultation with representatives in the insurance producer industry.**